

In real estate projects, a single insolvency petition under Section 7 of the Insolvency & Bankruptcy Code is maintainable against more than one corporate entity if they are intrinsically connected in the execution and marketing of the project

The **Supreme Court** in the case of **Satinder Singh Bhasin vs Col. Gautam Mullick [Civil Appeal No. 13628 of 2025]** dated **January 02, 2026**, has granted relief to the homebuyers and held that in real estate projects, a single insolvency petition under Section 7 of the Insolvency & Bankruptcy Code is maintainable against more than one corporate entity if they are intrinsically connected in the execution and marketing of the project.

The Court applied the group of companies' doctrine to invoke a joint CIRP against corporate debtors whose business operations are intertwined, and noted that since the developer (Bhasin Ltd.) and marketing company (Grand Venezia Ltd) had common directors, issued interchangeable communications to allottees, and were operationally intertwined, both companies were intrinsically connected in the execution and marketing of the project.

The Court observed that if two corporate debtors collaborate and form an independent corporate entity for developing land and allotting premises to allottees, the application under Section 7 of the Code would be maintainable against both of them jointly and not individually against one or the other. The Court, therefore, upheld the NCLAT's ruling, which has permitted a joint Corporate Insolvency Resolution Process (CIRP) against two corporate entities that were intrinsically connected to the real estate project.